

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

May 20, 1997

LB 271

SENATOR KRISTENSEN: It goes to the highway allocation formula, that's correct.

SENATOR BROMM: Okay. And that's going to be divided the way the highway allocation would be between cities and counties.

SENATOR KRISTENSEN: That's correct.

SENATOR BROMM: And that's...and that clarifies that. There will be some change but not an entire change. There are other questions and not enough time on this particular speaking time to get into them, but there are these concerns and I think most of all another area I want to go inco further is there will be a tax shift resulting from this bill. There will be a tax shift.

PRESIDENT ROBAK: Time.

SENATOR BROMM: Thank you.

PRESIDENT ROBAK: Thank you, Senator Bromm. Senator Kristensen.

SENATOR KRISTENSEN: Madam President, members of the Legislature, it's apparent that a few days with a lot of issues has clouded, again, the purpose of the bill and so I will, as distinctly as I can, go through what the purpose of the bill is. You have \$150 million of property taxes that are collected from motor vehicles. That is at risk. This is not a property tax reduction bill. This is not designed to reduce the property taxes for people who buy expensive cars. The purpose of the bill is, the system right now of determining values is arbitrarily done. It is picked out, basically out of the air, by the property tax administrator and they just assign values of cars under the guise that that is in relationship to what that vehicle's value actually is. You can't defend that system, we're subject to lose that system and you've got to change that system. What we do through this bill is to, in effect, put into statute what occurs. As the vehicle gets older it is worth less so at the beginning we determine what its value is by its suggested manufacturer's price and then each year it has a factor of less value. That's not designed to reduce the reliance on property tax. What is done is designed to save the system of motor vehicle taxation. The second thing it does is